

The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D.T.E. 04-85

October 7, 2004

Petition of Boston Edison Company and Commonwealth Electric Company for Approvals Relating to the Restructuring of Power Purchase Agreements with Northeast Energy Associates Limited Partnership.

ORDER OF NOTICE

The Company, Commonwealth Electric Company, shall, no later than fourteen (14) days prior to Wednesday, October 27, 2004, publish the attached Notice of Public Hearing and Procedural Conference in The Boston Globe or the Boston Herald. The Company shall also serve a copy of the notice on the Chairmen of the Board of Selectmen, Mayors, Town Clerks and City Clerks of the towns and cities in the Company's service area, post a copy of the notice in each town or city hall in the Company's service area until the comment period has expired, and provide actual notice to any person who has filed a request for notice with the Company. The Company shall serve a copy of the notice to the distribution lists in Boston Edison Company, D.T.E. 03-117, Cambridge Electric Light Company/Commonwealth Electric Company, D.T.E. 03-118, Boston Edison Company, D.P.U./D.T.E. 96-23, and Cambridge Electric Light Company/Canal Electric Company/Commonwealth Electric Company, D.P.U./D.T.E. 97-111, and make return of service and proof of publication at the public hearing.

By Order of the Department,

/s/

Mary L. Cottrell, Secretary



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NOTICE OF PUBLIC HEARING AND PROCEDURAL CONFERENCE

On September 29, 2004, pursuant to G.L. c. 164, §§ 1A, 1G, 76, 94, and 94A, Boston Edison Company ("Boston Edison") and Commonwealth Electric Company ("Commonwealth") (jointly "Companies") filed with the Department of Telecommunications and Energy ("Department") for approval of (1) a Bellingham Execution Agreement between the Companies and Northeast Energy Associates Limited Partnership ("NEA"), and four associated Amended and Restated Purchase Power Agreements ("PPAs") (the Execution Agreement and four Amended and Restated PPAs collectively the "NEA Restructuring"), and (2) ratemaking treatment relating to the NEA Restructuring.

The Companies currently purchase power from NEA's Bellingham, Massachusetts facility under four PPAs, two PPAs between Boston Edison and NEA, and two PPAs between Commonwealth and NEA. The two Commonwealth PPAs and one of the Boston Edison PPAs run through September 15, 2016, and the other Boston Edison PPA runs through September 15, 2011.

In the Petition, the Companies request that the Department approve the NEA Restructuring that was the result of a public auction conducted in 2003. Although the Companies would continue to purchase power from NEA under the NEA Restructuring, the NEA Restructuring results in two major structural changes to the existing PPAs: (1) pricing changes, and (2) NEA would no longer be required to provide the power under the PPAs from its generation facilities in Bellingham, Massachusetts. The Companies state that the NEA Restructuring will result in approximately \$125.6 million in customer savings relating to the Boston Edison PPAs, and \$65.5 million in customer savings relating to the Commonwealth PPAs, on a net present value basis, over the remaining lives of the PPAs. The Companies also requests that the Department approve their proposal to recover costs relating to their obligations to NEA through the respective transition charges of Boston Edison and Commonwealth.

The Department will conduct a public hearing to receive comments on the Company's filing at **2:00 p.m. on Wednesday, October 27, 2004**, at the Department's offices -- One South Station, Boston, Massachusetts, 02110. Following the public hearing, the Department will conduct a procedural conference.

Any person who wishes to submit written comments may do so by filing an original and five (5) copies of such comments with: Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110, no later than the close of business **Friday, October 22, 2004**.

Any person seeking to intervene in this investigation must file an original and five (5) copies of a written petition for leave to intervene or to participate in this proceeding no later than the close of business (5:00 p.m.) **Friday, October 22, 2004**, with Mary L. Cottrell, Secretary, Department of Telecommunications and Energy, One South Station, Boston, Massachusetts 02110. A petition to intervene must satisfy the timing and substantive requirements of 220 C.M.R. § 1.03. Receipt by the Department -- not mailing -- constitutes filing and determines whether a petition is timely filed. A late-filed petition may be disallowed as untimely, unless good cause is shown for waiver. To be allowed, a petition under 220 C.M.R. § 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10.

In addition to paper filings with the Secretary of the Department, all written pleadings or comments must be submitted to the Department in electronic format by e-mail attachment to dte.efiling@state.ma.us and joan.evans@state.ma.us. The text of the e-mail must specify: (1) an easily identifiable case caption; (2) docket number of the proceeding (D.T.E. 04-85); (3) name of the person or company submitting the filing; and (4) a brief descriptive title of the document (e.g., comments or petition to intervene). The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be written in either Corel WordPerfect, Microsoft Word, or as an Adobe-compatible PDF file. Data or spreadsheet responses should be compatible with Microsoft Excel. Documents submitted in electronic format will be posted on the Department's Website, <http://www.mass.gov/dte/>.

A copy of the Company's filing is on file at the Department's offices, One South Station, Boston, Massachusetts for public view during business hours. Copies also are on file for public view at NSTAR Electric, 800 Boylston Street, Boston, Massachusetts. Any person desiring further information regarding the Company's filing should contact Robert N. Werlin, Esq., at (617) 951-1400. Any person desiring further information regarding this notice should contact Joan Foster Evans, Hearing Officer, Department of Telecommunications and Energy, at (617) 305-3613.